

Older Urban Households Spent More on Food than Younger Households

Urban households headed by 55- to 64-year-olds spent more on food per person than households whose head was some other age. Typically, food spending per person increases with the age of the household head, at least until age 55-64. Surprisingly, this expectation was not totally fulfilled during most of the 1990s, since households whose head was 25-34 years old outspent those whose head was 35-44 years old (fig. 6). However, one would expect food spending to rise with the age of the household head, at least until the late 50s and early 60s, since income normally peaks in this age group before declining with retirement. By way of example, per-person food spending for urban households headed by someone under 25 years old was \$1,629 in 1998 but was \$2,349 for urban households headed by someone 55-64 years old.

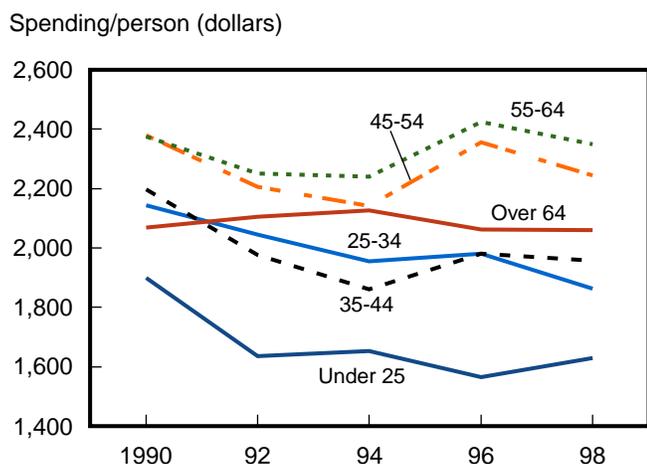
Total per-person food spending declined for all age groups between 1990 and 1998. Households with the greatest decline were those headed by someone under the age of 25 (down \$270 or 14 percent) and those headed by someone 25-34 years old (down \$281 or 13

percent). In contrast, households headed by someone age 55-64 saw their per-person expenditures decline by about 1 percent, while households with a head over 64 years of age saw their expenditures decline by less than one-half percent. Again, these declines in real per-capita food expenditures are most likely due to the fact that food prices have risen less than the overall CPI.

Figures 7 and 8 present food-at-home and food-away-from-home expenditures. As noted above for total food, per-person spending for food at home increases with the age of the household head. However, households with a head under 25 years of age experienced a per-person expenditure decline of about \$75 (9 percent), whereas per-person expenditures for the next older group declined by about \$140 (12 percent). Households headed by someone over the age of 64 realized a per-person expenditure decline of about \$82 (6 percent) while households headed by someone age 55-64 realized a price-adjusted decline of \$30 (about 2 percent).

The only households that realized an increase in per-person expenditures on food away from home were those headed by someone over 64 years old and those headed by someone between the ages of 55 and 64.

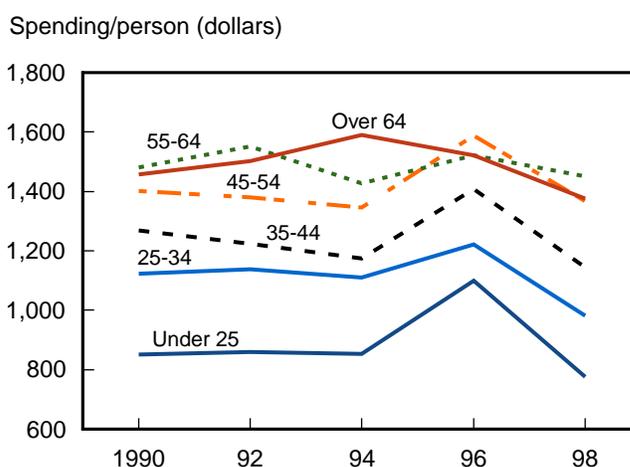
Figure 6
Total food spending by age of household head



1998 prices.

Source: Economic Research Service from Bureau of Labor Statistics data.

Figure 7
At-home food spending by age of household head

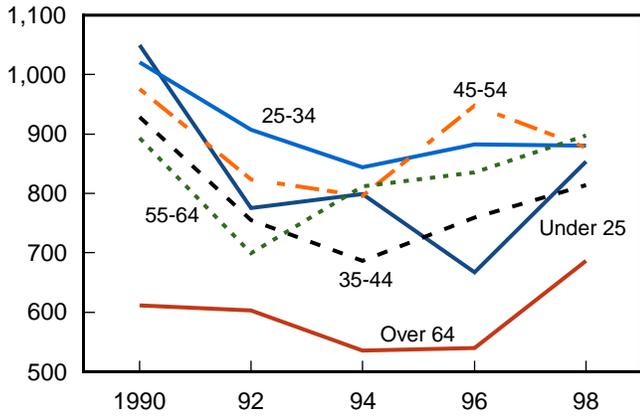


1998 prices.

Source: Economic Research Service from Bureau of Labor Statistics data.

Figure 8
Away-from-home food spending by age of household head

Spending/person (dollars)



1998 prices.

Source: Economic Research Service from Bureau of Labor Statistics data.

The oldest group realized a price-adjusted increase of approximately \$74 (12 percent), while the second oldest group realized an increase of \$4 (less than 0.5 percent). In 1998, the oldest and second oldest household heads spent \$686 and \$897, respectively, per person on food expenditures away from home. In contrast, the youngest and second youngest groups spent \$854 and \$880, respectively. Despite the fact that the urban, under-25-year-old group had considerably lower incomes (less than \$21,000 in 1998) than the urban 45- to 54-year-olds (\$49,000 in 1998), the younger group spent only \$43 less per person on away-from-home food in that year. One reason for this difference is the tendency of younger people to spend more of their entertainment budget on away-from-home dining.